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**The East Ohio  
Gas Company**

**A CNG COMPANY**

171 7 East Ninth Street  
P O Box 57.59  
Cleveland, OH 44 101 -0759

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November 22, 1991

Dockets Unit, Room 8417  
Research and Special Programs Administration  
U.S. Department of Transportation  
400 Seventh Street S.W.  
Washington, D.C. 20590

RSPA-98-4868-23

Re: **Docket No. PS-122, Notice 1**  
**Notice of Proposed Rulemaking**  
**Gas Gathering Line Definition**

In response to the above notice, which appeared in the Federal Register on September 25, 1991, The East Ohio Gas Company (East Ohio) makes the following comments:

East Ohio is a wholly owned subsidiary of Consolidated Natural Gas Company. East Ohio serves over 1,000,000 distribution customers and operates about 15,000 miles of distribution mains. East Ohio's market area covers over 3,000 square miles, serving 20 counties and 269 communities. This area has a population of nearly 2.5 million people. Additionally, East Ohio is engaged in the production, gathering, storage, and compression of natural gas. It operates nearly 1500 miles of transmission pipelines and another 1400 miles of pipelines currently classified as gathering.

**IMPACT OF THE PROPOSED REGULATIONS**

The following are answers to several specific questions that RSPA has asked concerning the proposed regulations:

**Question No. 1**

RSPA seeks comment on how many miles of pipeline currently classified as gathering lines would have to be reclassified as transmission lines.

**Answer**

Approximately 1300 miles would have to be reclassified as either transmission or distribution lines.

**Question No. 2**

Have these pipelines been the subject of dispute between the pipeline operator and the federal enforcement personnel query?

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**Answer**

No.

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### Question No. 3

RSPA also seeks comments on any costs associated with reclassification.

### Answer

Total initial conversion costs for East Ohio are estimated at \$30,000,000 and an annual increase in operation and maintenance costs is estimated at \$500,000.

Compliance with 192.14 would require hydrostatic testing of reclassified pipelines. This would be very expensive and difficult to accomplish, and would create a negative environmental effect for the disposal of test water.

Because of the economics involved, East Ohio would be forced to replace many gathering lines if the proposed rule were adopted. In areas of marginal production, we would most likely abandon the facilities. This would eliminate portions of our gas supply, forcing us to replace that supply with gas from other markets that would probably be at higher cost.

The proposed regulations would probably have a similar effect on independent producers from whom we purchase gas, causing them to abandon facilities, and further exacerbate our gas supply problem. Many of these independent producers are small businesses.

### **FIRST RECOMMENDATION**

East Ohio shares the concern expressed by the Research and Special Programs Administration (RSPA) for the safety of natural gas pipeline systems, including gathering systems. Although the safety history of natural gas pipelines is exceptionally good compared to other forms of energy transportation, it is to everyone's best interest to improve upon these systems even more as new technology and information becomes available. Thus it is appropriate to modify the Minimum Federal Safety Standards from time to time.

East Ohio, however, is not aware of any safety related problems with rural natural gas gathering lines. We have no experience of incidents which would indicate a need for regulation. The proposed rules would have a major financial and operational impact on our company. They would create an extremely costly "fix" to a problem that does not exist. It is recommended, therefore, that RSPA withdraw the proposal.

## SECOND RECOMMENDATION

The definition of gathering line has not been a problem to East Ohio, so we see no reason for a rule change. However, we do agree that there is some lack of clarity in the definition because the definitions of "gathering line", "transmission line" and "distribution line" are cross referenced. If RSPA wishes to provide further help in determining the classification of particular pipelines, it might ask the Gas Piping Technology Committee (GPTC) to write guide material for classifying pipelines. GPTC publishes guidelines for gas pipeline Federal Minimum Safety Standards, and these guidelines are a commonly used reference in the industry.

## THIRD RECOMMENDATION

East Ohio does not believe that RSPA has justified the need to implement rules which have not been shown to have any impact on safety. In the event that RSPA can justify the administrative burden in implementing it, East Ohio has listed below modifications to the rules which would lessen the impact.

### Need for Revised Notice of Proposed Rulemaking

First, East Ohio suggests that RSPA publish a Revised Notice of Proposed Rulemaking after making modifications. Presently the impacts are so large, and possible modifications so different, that it is difficult to submit helpful comments. A Revised **Notice** would provide operators the opportunity to comment more precisely on the impacts of the rulemaking.

### Detailed Suggestions

1. Add a new paragraph 2 under the section 192.3 definition of gathering line.

'(2) If there is no natural gas processing plant, the inlet of a compressor (other than field compression) located in or adjacent to a production field which is used to lower pressure within the pipelines in the production field to enhance production.'

2. Renumber paragraph 2 to 3 and revise to read:

"(3) If there is no natural gas processing plant or compressor station, the point where gas enters a pipeline which transports the gas to:

- (i) A distribution center
- (ii) A gas storage facility, or
- (iii) A consumer."

3. Revise paragraph 3 renumbering it to paragraph 4 as follows:

"(4) If paragraphs (1), (2), or (3) do not apply, the last point downstream where gas produced in the same production field or two adjacent production fields is commingled."

4. Add a new paragraph 5 (renumbering paragraph 4 to paragraph 6).

"(5) Under paragraphs (3) and (4) above, no lines having an outside diameter of less than 9 1/2 inches shall be classified as a transmission or distribution line."

5. Delete proposed paragraph 4 (iii).
6. Add a new paragraph to section 192.14 to waive the application of section 192.14(a)(4) to gathering lines being converted to transmission as a result of the proposed rules Docket No. PS-122. Implementation of the new rules should treat any conversions the way the Act treated pipelines installed prior to November 1970 for establishing a maximum allowable operating pressure (MAOP).

Specifically East Ohio recommends that the MAOP be established for gathering lines converted to transmission lines under the rules established in Docket No. PS-122 as:

The highest actual operating pressure to which the segment was subjected during the five years preceding (the effective date of the rules) unless the segment was tested in accordance with paragraph 192.619(a)(2) or the segment was uprated in accordance with Subpart K of Part 192.

#### Explanation of Detailed Suggestions

East Ohio believes that there are several items which are needed to mitigate the harsh impact that the proposed rules would have on the Ohio production fields.

The proposed regulations, as written, first take into consideration the presence of natural gas liquids products extraction plants. Where an extraction plant is present, the gathering classification extends from a well to the inlet of the plant. The next criteria defines gathering, where no extraction plants exist, as ending at the custody transfer point of natural gas. This point for East Ohio is at the gas sales meter for purchased gas. Using this criteria, almost all of East Ohio's existing gathering lines would be reclassified, because we

typically purchase locally produced gas from independent producers. East Ohio then transports this gas in its gathering system to a point where it is delivered to a transmission line or to a distribution system. The function of this gathering system is gathering. It is no different from other gathering systems except that there is a custody transfer meter between the well(s) and our pipelines. In a sense, East Ohio is performing part of the gathering function for the independent producers. East Ohio objects to the use of custody transfer as a criteria for classification of pipelines. Pipelines should be classified based on the function that they serve.

The proposed definition results in contradictory concepts. If a system supplies a gas processing plant, it is a gathering system. But if identical pipelines performing the identical function are not supplying a gas processing plant, then the system is not gathering. East Ohio proposes to correct this contradiction by adding a second criteria. Where no extraction plant is present, the gathering classification would end at the inlet of compressors located in or adjacent to a production field. This criteria is one that corresponds to the concept of a central location in the production field where gathering would end and transmission begin. Compressors serve as a meaningful point of demarcation and, if they are present in a particular gathering system, could logically be used to separate a gathering system from a non-gathering system.

Secondly, when no products extraction plants exists or no compression is located in or adjacent to a production field, custody transfer points arbitrarily distinguish similar systems based only on the transfer of custody between pipeline operators' own production and third party production. In order to moderate this effect, East Ohio has proposed to limit the application of the current proposed criteria (2) and (3) so as not to force classification of transmission or distribution on pipelines of less than 9 1/2 inches in a production area. Ten inch lines can be transmission but eight inch lines can not. The Public Utilities Commission of Ohio has adopted this standard as a part of its test in demarcating transmission lines and gathering lines in its Power Siting Regulations. Furthermore, RSPA uses this same criteria, worded somewhat differently, in its regulations for liquids pipelines in Section 195.2, definition of "gathering line". East Ohio has proposed this limitation in order to ensure that smaller sized gathering lines not associated with processing plants or compressor stations will remain gathering lines.

East Ohio believes that with the magnitude of gathering lines that could be affected, a provision for waiver of Section 192.14 requirements is appropriate. The situation is similar to the first application of the Act to older lines which were brought under the jurisdiction of the Act at its inception. Section 192.14 requires, among other things, that pipelines brought into service must be tested. There would be extremely high costs and negative environmental impacts if all impacted gathering lines

had to be hydrostatically tested. A waiver similar to the one proposed by East Ohio is found at Section 192.619(a)(3).

Proposed paragraph (2)(iii) defines one possible end point as "an industrial consumer". East Ohio sees no reason to limit this, and suggests that the term "a consumer" be substituted.

#### SUMMARY

In summary, East Ohio opposes the proposed changes in definitions. This rulemaking would have a major cost and operational effect, and there is no safety benefit involved. East Ohio believes that the basis of classification of gathering lines should be function rather than custody transfer. Without modification, this rule would require East Ohio to reclassify approximately 1300 miles of gathering lines, at an initial cost of \$30,000,000 and an annual cost of \$500,000. East Ohio recommends that RSPA withdraw the proposed rulemaking.

As an alternative suggestion, if RSPA establishes that clarification is necessary, East Ohio suggests that GPTC be asked to provide guidelines on the classification of pipelines.

If RSPA decides to proceed with a rule change, East Ohio suggests several modifications. The primary suggestions are to include the use of compressors in the same way that gas processing plants are used, and to preclude the reclassification of gathering lines that are: less than 9 1/2 inches in diameter. These two suggestions would substantially reduce the impact, and might help to clarify the existing wording. If RSPA does proceed with a rulemaking after making modifications, East Ohio suggests that a Revised Notice of Proposed Rulemaking be published in the Federal Register. This would provide operators the opportunity to give more specific and helpful comments.

East Ohio appreciates this opportunity to provide comment on the proposed rulemaking.

Sincerely,



Paul E. Oleksa  
Environmental and  
Codes Engineer